



September 2, 2003

# The Hartley County Harvester

**Hartley County FSA**  
**District 1**  
PO Box 177  
Hartley, TX 79044-0177

Voice: (806) 365-4453  
FAX: (806) 365-4446

**Hours:**  
Monday-Friday  
8:00 AM – 4:30 PM

**County Committee:**  
Joe Parker  
Jason Schniederjan  
Bud Snead

**Minority Advisor:**  
Babette Spinhirne

**Farm Program Staff:**  
Glen Clugy, CED  
Becky Brown, PT  
Becky Voight, PT  
Teresa Gates, PT  
Leanna Evans, PT

**Farm Loan Staff:**  
(Dalhart Office)  
Marc Lathem, FLM  
Barbara Koch, PT

Regular Committee Meetings  
held on the 3<sup>rd</sup> Wednesday of  
each Month.

## Dates to Remember

**September 5<sup>th</sup> – Final Date  
to Nominate Candidates  
for the 2003 COC  
Election**

**September 15<sup>th</sup> – MILC  
Start Month Decision  
Due**

**September 30<sup>th</sup> – Last Day  
to purchase 2004 FCIC  
Coverage for Small  
Grain Acres**

**September 30<sup>th</sup> – Last Day  
to purchase 2004 FSA  
NAP coverage for  
Hay/Ensilage Small  
Grain Acres**

**On the World Wide Web:**  
USDA Washington Office  
[www.usda.gov](http://www.usda.gov)  
FSA Washington Office  
[www.fsa.usda.gov](http://www.fsa.usda.gov)  
Texas State FSA Office  
[www.fsa.usda.gov/tx](http://www.fsa.usda.gov/tx)  
Hartley FSA  
[www.fsa.usda.gov/tx/tx205](http://www.fsa.usda.gov/tx/tx205)

## 2004 MILC Payments

October 1 signals the start of the government's new fiscal year. For dairy farmers who produce more than 2.4 million pounds of milk in a year, you may want to begin thinking about your MILC strategy now. For the 2003 fiscal year, many of you began receiving MILC payments starting in October of 2002. As a result, some of you exceeded the program's production cap prior to the market's steepest decline.

For those of you who selected October as the month to begin receiving MILC payments, do you still want October to be your starting month for the upcoming fiscal year? Are you thinking about changing your MILC starting month? If so, now is the time!

You may change the start month anytime before the 15th day of the previous month. This means that if you don't want to begin receiving payments for the 2004 MILC program in October, you need to change the starting month BEFORE September 15.

All producers involved in the dairy operation must agree to the month designated. If you don't want to begin receiving payments in October, but are not sure when you will want to receive MILC payments, you may inform us by writing on your MILC contract that you are not selecting a starting month at this time. If you elect to not to make a designation just remember:

- You must designate a month prior to the 15th of the month you want to begin receiving payments.
- Payments cannot be made until a start month is designated.
- The month designated cannot be a month that has already begun or has already passed.
- The month designated cannot be a month that no milk was produced by the operation.
- If, by the end of the next fiscal year, you don't reach the 2.4 million-pound cap based on the start month you select, you cannot receive a payment based on previous month's prices for the difference. You assume the risk of not reaching the maximum payment quantity based on the month you selected.

If the selected starting month is never modified, that month will remain the same throughout the duration of the contract.

## Holiday

This office will be closed on Monday, October 13<sup>th</sup> for Columbus Day.

## Loan Deficiency Payments

All corn, barley, wheat, soybeans, cotton and oats grown on either a participating or non-participating farm are eligible for an LDP (Loan Deficiency Payment). These crops are eligible for LDP in any harvested form – whole grain, high moisture, silage and harvested as hay.

You can check each days LDP prices on your computer by logging onto the FSA web page at [www.fsa.usda.gov](http://www.fsa.usda.gov) and selecting Texas in the "Daily LDP Rate" box.

The following is a quick rundown of your LDP options:

Storing Grain On The Farm or in Warehouse "Open" Storage – Once the grain is harvested, you can request a LDP until you loose beneficial interest in the grain. The payment rate is based on the date you apply. You must apply for a farm-stored or warehouse-stored LDP using a CCC-633 before you sell or feed the crop and as long as there is an LDP rate in effect.

For farm-stored LDPs, the LDP quantity can be measured by the office or certified by you. A measurement service costs \$40 for the first bin and \$15 for each additional bin. If you are certifying the bushels, be prepared to provide the bin dimensions and the height of grain. Certified quantities are eligible for spot-checks.

Grain Sold Directly From the Field To A Buyer (including all grain delivered to feedlots) – You must sign a CCC-709 prior to crop harvest. The LDP rate is based upon the date the grain is delivered. Your sales receipts are your documentation. Receipts should include your name and address, the buyer's name, address and phone number, crop, quantity sold, date of delivery, grade, test weight and moisture.

The field direct option is available to farmers who normally dry the grain on the farm and then immediately deliver it to a buyer. The grain may also be in temporary storage on the farm for immediate delivery to the buyer.

Grain being fed out during harvest – Crops fed out during harvest are still eligible for an LDP. Keep track of the harvest dates and the tonnage produced. You need to sign a CCC-709 (just like for Field Direct LDPs) prior to harvest. The LDP rate is based on the dates of harvest. The County Committee determines your yield using the whole grain quantity harvested on your farm, three similar farms, or their recommendations. You have 60 calendar days after the date of harvest to provide this information to the office.



## ***Commodity Loans***

Commodity loans are available to all farmers growing eligible commodities, regardless of program participation. The Farm Bill changed the rules so that all farmers may apply for low interest, 9-month loans on 2003 crops stored on the farm in an eligible structure or in an approved warehouse. This marketing tool is a great way to utilize some working capital while you wait for local prices to rise, pay off higher interest notes with low interest money, or purchase next year's inputs at reduced rates.

### ***LDP & Loan Eligibility***

To be eligible for a LDP or commodity loan, you must:

- Certify your crop acres.
- Have beneficial interest in the crop. This means you have title, risk and control of the crop. If the crop is delivered to a buyer you have lost beneficial interest. If the buyer pays you for the crop, even if it hasn't moved from your farm, you have lost beneficial interest. Commodity loans require beneficial interest in the commodity until the loan is repaid and LDPs require beneficial interest at the time of the LDP request.
- Actively apply an approved conservation plan.
- Have a completed payment limitation form with FSA.
- Sign a crop insurance waiver or purchased the minimum level of crop insurance.

Furthermore, the commodity must meet the following guidelines:

- Be in existence and in a storable condition.
- Be merchantable for food or feed.
- Be within acceptable moisture levels.
- Not be substituted or purchased.

### ***Avoiding Denied Market Gains on Loans or LDPs***

For the 2003 crop year, there is a \$75,000 payment limitation for LDPs and market gains on commodity loans. If due to pledged production quantity, it looks as if you will exceed the \$75,000 payment limitation you can pledge the commodity in loan and immediately redeem the quantity using commodity certificates - thereby avoiding the \$75,000 payment limitation.

Contact our office for more information.

### ***GRAZE-OUT Payments***

GRAZE-OUT payments are available to producers who grazed acreage planted to wheat, barley, oats or triticale and agree to forgo harvest of the commodity crop on this acreage during the applicable crop year.

Producers who elect to graze 2002 through 2007 crop wheat, barley, oat or triticale will not be eligible for an indemnity for these acres under FCIC or NAP. Applications for GRAZE-OUT begins on the first day of mechanical harvest – May 1 and ends on March 31 of the following calendar year. Applications may not be canceled or withdrawn.

Please contact our office for more information on GRAZE-OUT eligibility, payment rates and the application process.

## ***Commodity Loan Settlements***

Corn and soybean loan participants are reminded that your loans are coming due and it is time to think about repayment options. There are two ways to repay your commodity loan. If the Posted County Price (PCP) remains below the loan rate you can use that rate to lock in your repayment rate. You repay the loan below the loan rate and pay no interest. This option is like borrowing money for free and then repaying less money than you borrowed.

Farmers also have the option to lock in a repayment rate for 60 days instead of the traditional 30 days. This locked in rate can only be requested by the producer visiting the office to sign the required form and cannot be accepted by FAX or telephone.

The second method for settling the loan is to deliver the grain to a certified government warehouse. Place local warehouse information here. The commodity's settlement value pays off the note.

To take advantage of the market gain, the payment must be received in the office before the loan matures. Farmers with outstanding loans should also keep the following in mind:

- Watch the PCP to help time your crop sales.
- Be sure to monitor your grain. A hot summer could create storage problems.
- Grain delivery will take place during harvest season.
- Do you have the available bin space for 2003 crops?

### ***Delinquent Federal Debtors Ineligible for Federal Financial Assistance***

Individuals owing a delinquent nontax debt to the Federal Government are ineligible for Federal financial assistance including direct loans (other than disaster loans), loan insurance or guarantees - ineligibility extends to Marketing Assistance Loans, Loan Deficiency Payments and Farm Storage Facility Loans.

Producers are considered delinquent if you are:

- Past due 30 or more calendar days on all or part of a farm loan payment, or
- Past due 90 or more calendar days on all or part of a commodity program debt (overdisbursement) - including marketing assistance and loan deficiency payments, or
- Past due 90 or more calendar days on your Farm Storage Facility Loan installment.

Failure to take corrective action or resolve delinquent Federal nontax debt for Marketing Assistance and/or Loan Deficiency payments issued before July 3, 2003 will require repayment plus interest.

Producers may regain eligibility for federal assistance once delinquent debt status is resolved. Individuals are encouraged to discuss debt resolution options with FSA staff. Once delinquent debts are resolved, producers are once again eligible for Marketing Assistance Loans and Loan Deficiency Payments.

If you have any questions about this newsletter or any FSA program, please come by this office or call us at (806) 365-4453 extension 2.